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Wisconsin State Senator

Senator Wanggaard Testimony in Favor of Senate Bill 413

Senate Committee on Economic Development and Veterans

and Military Affairs

February 7, 2012

Thank you, Mr. Chairman and Members, for scheduling this quick action today on Senate Bill 143, otherwise known as the HEART Act. I am pleased to testify in favor of this important Veterans' legislation.

This legislation is a collaborative effort between the Department of Veterans Affairs and the Department of Employee Trust Funds. Thus, I am happy to be joined today by Jason Johns, Deputy Secretary of the Department of Veterans Affairs and Shawn Smith, Legislative and Communications Director for the Department of Employee Trust Funds, who are happy to help answer any questions you may have.

To put it simply, this bill addresses the tragic reality of honoring military service members upon the death or disability of a soldier as a result of that service.

On June 17, 2008, President Bush signed into law the Heroes Earnings Assistance and Relief Tax Act of 2008. The federal HEART Act contained policy changes affecting tax treatment and benefit rights for those called to active duty.

Senate Bill 413 implements two elements of federal law into state statute. Specifically, this proposal addresses active duty military servicemen and women who are also public employees that participate in the Wisconsin Retirement System.

First, SB 413 changes the amount of death benefit paid to a survivor if a WRS member leaves his or her job to serve in active duty and then dies as a result of that service. Under current law, the survivor to that soldier would only get a death benefit equivalent to the employee's contributions to his or her account plus the investment earnings on that amount. Under this bill, the military member is treated as if the member died while actively employed. The member's survivors would be eligible for the same death benefit that is available to survivors of non-military participants who die while actively employed.

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Thus, the HEART Act would essentially double the current death benefit by also paying out the matching employer contributions. Currently, the employer match goes back into the Trust and is not passed on to the family.

Second, this bill gives service credit to WRS members who become disabled during service and who cannot return to their job as a result of that disability for their time in active duty. To qualify for a disability benefit, a WRS member must have enough service credit in five of the last seven years. Under current law, if a member on active duty military service does not return to active employment, even because the member was injured or disabled, the member does *not* receive service credit. Senate Bill 413 would allow that time in active duty to count for disability service credit, thereby making it easier for someone who suffers a disability while in service to qualify for that benefit under the WRS.

Finally, this has been federal law since 2008. It's important to bring Wisconsin into compliance with federal law. Further, the fiscal note for this bill is very minimal and ETF has indicated it can be absorbed into its budget.

This is a small step, but an important step, to give our servicemen and women peace of mind when they are serving our country and defending our freedoms. I urge Members of the Committee to lend their support to this pro-Veterans legislation.

Thank you for your time.